

U.S. Department of Agriculture
Natural Resources Conservation Service

**FARMLAND PROTECTION
POLICY ACT
ANNUAL REPORT
FY 2001**

REPORT FROM THE SECRETARY OF AGRICULTURE

TO THE COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY
UNITED STATES SENATE

AND

THE COMMITTEE ON AGRICULTURE
UNITED STATES HOUSE OF REPRESENTATIVES

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The FY-2001 Farmland Protection Policy Act (FPPA) Annual Report consists of three components:

- I. Progress of Federal agencies in implementing the Farmland Protection Policy Act;
- II. Review and revision of Federal policies and procedures affecting farmland conversion; and
- III. Federal, State, and local efforts to protect farmland.

I. Progress of Federal Agencies in Implementing the Farmland Protection Policy Act

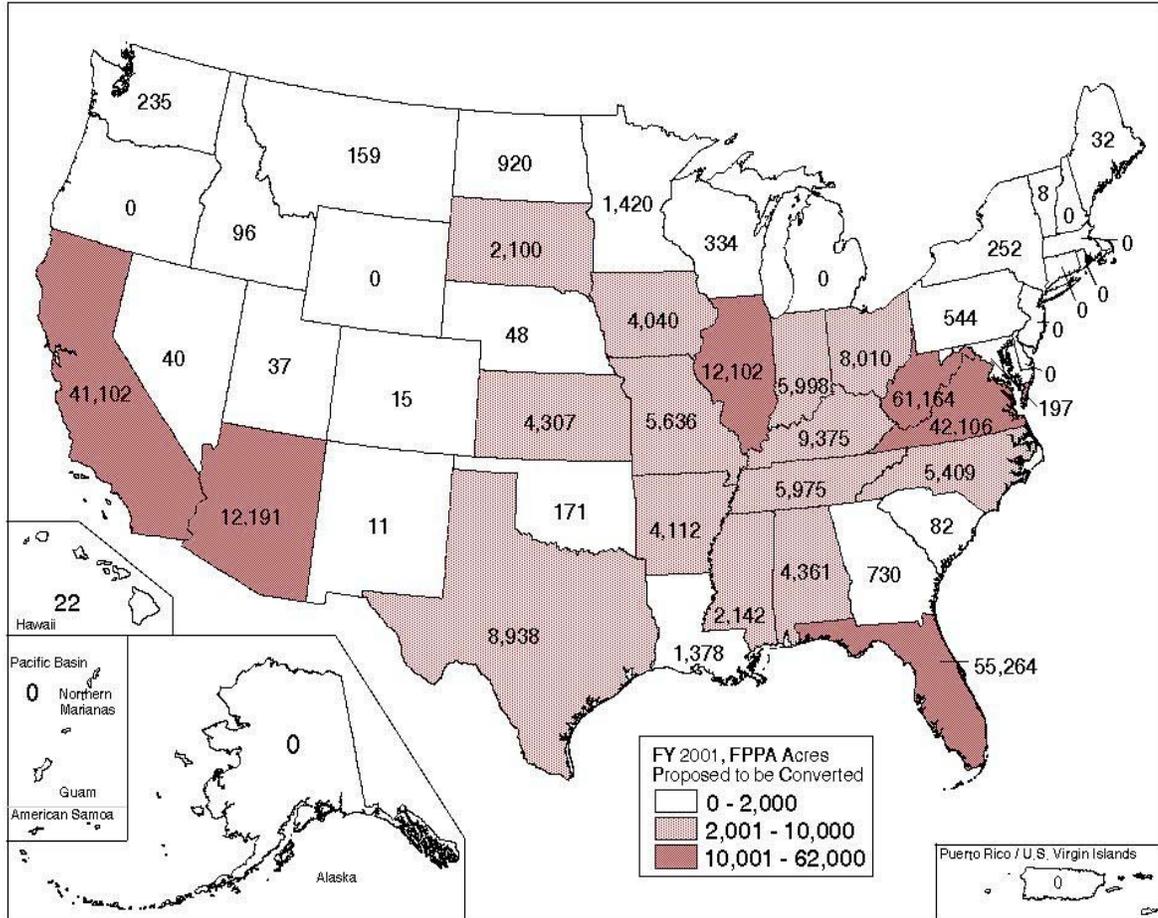
According to the FPPA final rule, Federal agencies are required to evaluate the impacts of Federally funded projects that may involve converting farmlands to nonagricultural uses and to consider alternative actions that would lessen the adverse effects of the land's conversion (7 CFR Part 658 with additional information found in Part 657). A Farmland Conversion Impact Rating Sheet (Form AD-1006) is used by Federal agencies to request assistance from the Natural Resources Conservation Service (NRCS) in complying with FPPA. This form is used to conduct a Land Evaluation and a Site Assessment (LESA) of the project area. NRCS provides land evaluation information, while the responsible Federal agency completes the site assessment portion of the analysis.

In FY-2001, approximately 2,000 AD-1006 forms were received from 26 Federal agencies requesting assistance to evaluate the impact of proposed conversions of farmland caused by their projects. A total of **301,000** acres of farmland from 42 States were proposed for conversion to nonagricultural uses. Approximately one third of the acres reviewed were identified as important farmland (as defined in 7 CFR Part 657). Of the **103,000** important farmland acres reviewed, 60,000 acres (58%) were prime and unique farmland and 43,000 acres (34%) contained State or locally important soils.

Prime farmland is land with soils that have the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops, and is also available for these uses (the land could be cropland, pastureland, rangeland, forestland, or other land, but not urban built-up land or water). Unique farmland is used for a specific high-value food or fiber crop. Generally, additional farmland of statewide importance includes soils that are nearly prime, producing high yields of crops when treated and managed according to acceptable farming methods. Local jurisdictions may identify additional soils of local importance. Lands with prime, unique, state-wide or locally important soils form the important farmland category.

When jurisdictions approve local Land Evaluation and Site Assessment (LESA) systems, these systems may be used by Federal agencies to review activities that impact farmland. Less than 10% of the agency requests provided site alternatives for evaluation prior to final site selection. Local LESA systems were available for use in evaluating conversion effects on 175 sites. Locally developed and adopted Land Evaluation and Site Assessment systems afford a unique opportunity to coordinate Federal, state and local farm and ranch land protection efforts by using a similar ranking process for all land protection programs.

Figure 1 - FY2001, FPPA Acres Reviewed for Potential Conversion Impacts



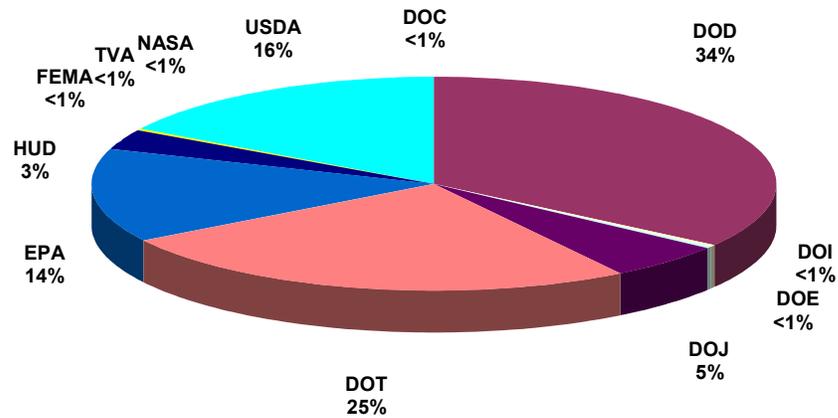
The **301,000** acres proposed for conversion were distributed across the Nation. West Virginia, Florida, Virginia, and California had the greatest number of acres proposed to be converted, accounting for 66% of the total FPPA requests (over 40,000 acres each). Arizona and Illinois reported 12,000 acres each. The following states did not report any acres impacted by Federal actions: Alaska, Connecticut, Delaware, Massachusetts, Michigan, New Hampshire, New Jersey, Oregon, Rhode Island and Wyoming (figure 1).

The Department of Defense, Department of Transportation, Environmental Protection Agency, Department of Agriculture, and Department of Justice submitted over 80% of the requests for land evaluation in FY-2001 (figure 2). Specifically, the top three Federal agencies that submitted AD-1006 rating requests were: 1) Rural Development with 511 forms; 2) Housing and Urban Development with 350 forms; and 3) Federal Highway Administration with 240 forms. The top five agencies identifying acres of potential conversion were: 1) Corps of Engineers with 104,000 acres; 2) Environmental Protection Agency with 42,000 acres; 3) Rural Development with 41,000 acres; and Federal Highway Administration and Federal Aviation Administration with just over 35,000 acres each (table 1).

Table 1- Distribution of Important Farmland Acres Proposed for Conversion and AD-1006 Forms, by Federal Agency in FY-2001

Department	AGENCY	AD-1006 requests received	Total farmland acres proposed	Total important farmland - acres proposed	Prime or Unique (Ac)	State and local farmland - acres proposed
Commerce (DOC)	Economic Development Admin.	17	132	73	66	7
SUBTOTAL		7	132	73	66	7
Defense (DOD)	Corps of Engineers	22	104,439	4,255	4,064	191
SUBTOTAL		20	104,439	4,255	4,064	191
Energy (DOE)	DOE	1	1,062	130	130	0
SUBTOTAL		1	1,062	130	130	0
Interior (DOI)	Bureau of Indian Affairs	7	291	40	0	40
	National Park Service	18	141	68	59	9
	Office of Surface Mining	2	20	20	20	0
	Fish and Wildlife Service	1	0	0	0	0
SUBTOTAL		28	452	128	79	49
Justice (DOJ)	DOJ	12	12,135	1,195	1,171	24
	Immigration and Naturalization	4	316	0	0	0
	Bureau of Prisons	1	4,172	3,806	91	3,715
SUBTOTAL		17	16,623	5,001	1,262	3,739
Transportation (DOT)	DOT	162	5,494	2,315	1,711	604
	Federal Aviation	60	35,255	24,004	4,177	19,827
	Federal Highway Admin.	241	35,743	23,891	16,176	7,715
	US Coast Guard	1	34	12	12	0
SUBTOTAL		464	76,526	50,222	22,076	28,146
Environmental Protection (EPA)	EPA	139	42,181	15,590	11,858	3,732
SUBTOTAL		136	42,181	15,590	11,858	3,732
Federal Emergency Mgt (FEMA)	FEMA	23	503	293	117	176
SUBTOTAL		20	503	293	117	176
Housing & Urban Dev (HUD)	Housing Authority-Housing Dept	208	6,605	2,687	1,698	989
	HUD	143	2,487	1,325	1,200	125
SUBTOTAL		351	9,092	4,012	2,898	1,114
Space Agency (NASA)	NASA	1	0	0	0	0
SUBTOTAL		1	0	0	0	0
Tennessee Valley Authority (TVA)	TVA	6	336	148	148	0
SUBTOTAL		6	336	148	148	0
Agriculture (USDA)	Forest Service	1	23	23	23	0
	Farm Service Agency	18	1,977	60	53	7
	Natural Resources Cons.Service	146	1,161	674	627	47
	Rural Development	511	41,010	17,639	12,206	5,433
	Rural Electric Administration	20	91	26	25	1
	Rural Utilities Service	255	5,455	4,330	4,150	180
SUBTOTAL		951	49,717	22,752	17,083	5,669
	TOTAL	2,002	301,063	102,604	59,781	42,823
Total Acres of Important Farmland Reviewed for Conversion to non-Agricultural Use: 102,604						

Figure 2 - Acres Submitted by Department



The Federal Highway Administration and HUD’s Housing Authority, followed Rural Development and Rural Utilities in the number of requests or forms filed for land evaluation assistance.

When evaluating land for agricultural suitability, soils are rated and placed into groups ranging from the best to the least suited for a specific agricultural use, such as cropland, forestland, or rangeland. Then, a relative value is determined for each group. For example, the best group may be assigned a value of 100, while all other groups are assigned lower values. A value for land evaluation is combined with a value for site assessment to determine the total value of a specific site. The higher the total value of a site, the higher the suitability of that site for agricultural. The average reported land evaluation value in FY-2001 was 75.9 out of 100 points. However, sites selected for conversion scored an average of 70.8 out of 100 points. Based on averages for Federal agencies that reported site selection information, land selected for conversion ranked lower in the evaluation process. This suggests that the selection process favored sites which lessened the impact to agricultural lands.

Important farmland acres, as a percent of land evaluated for FPPA, decreased from 50% in 1996 to 34% in 2001 while the number of agencies requesting land evaluations assistance almost doubled in the same time period. This may signal agencies are beginning to consider the impact of conversion of important farmland in the initial site selection process and addressing potential farmland conversion impacts in the review process (table 2).

Table 2 – FPPA and Important Farmland Numbers 1996-2001

IMPORTANT FARMLAND			
Year	Important Farmland Acres	Percentage of Total Acres Reviewed	Number of Agencies Submitting Requests
1996	86,608	50%	14
1997	61,172	41%	16
1998	114,382	45%	13
1999	83,452	45%	13
2000	134,975	54%	22
2001	102,604	34%	26

Total acres evaluated in the FPPA process have increased from less than 200,000 acres in FY 1995 to 301,000 in FY 2001. In addition to more Federal projects, the increase in the number of acres reviewed for Federal impacts on agriculture may indicate improvement in the implementation of the FPPA.

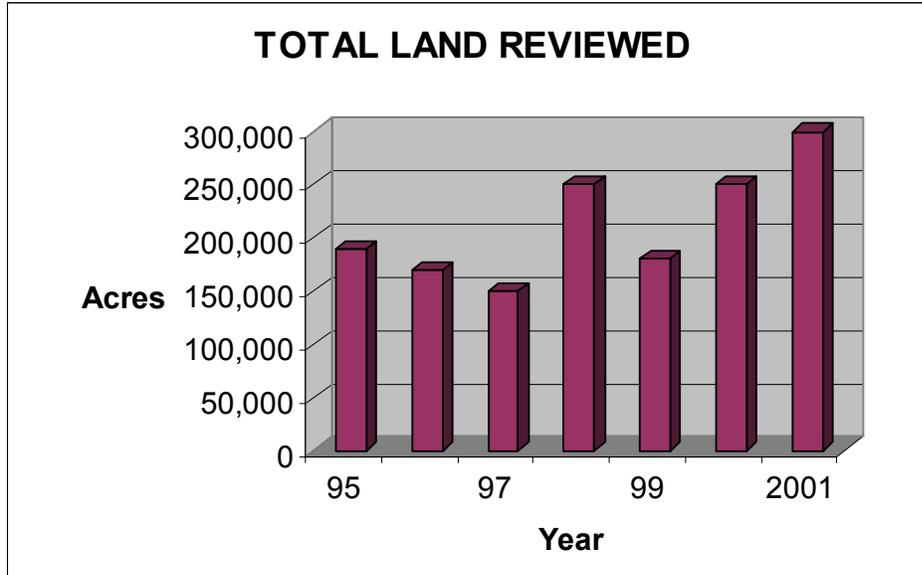
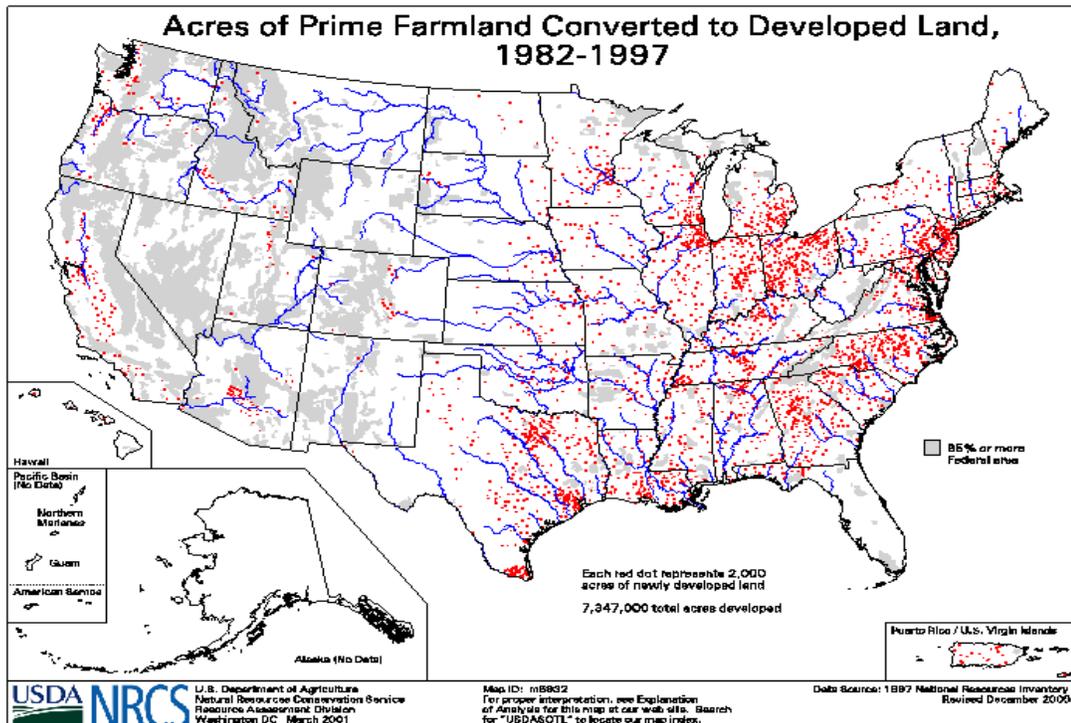


Figure 3 -Total Farmland Acres Reviewed for Potential Conversion, 1995-2001

Farm and ranch land continue to face development pressures. According to the USDA Natural Resources Inventory (NRI) data from 1982-1997, over 4 million acres of prime farmland were converted to developed land (figure 4).

Figure 4 - NRI Map of Acres of Prime Farmland Converted to Developed Land 1982 – 1997



Few Federal agencies identify the final site selection or request NRCS review of agency farmland protection strategies. However, NRCS recently updated policy, in part, to streamline the internal agency review process, initiating the automation of the AD-1006 process, in order to better chart the impact of the Act.

II. Review and revision of Federal Policies and Procedures Affecting Farmland Conversion

In FY 2001, to assist in evaluating the implementation of the provisions of FPPA, a study was conducted in the West NRCS Region regarding the use and effectiveness of FPPA. The survey results indicate that NRCS field staffs have a general understanding of FPPA's primary purpose. NRCS field employees identified the need for access to updated digitized soil surveys in areas with significant pressure to convert agricultural lands. The survey indicates that field staffs are enthusiastic about the new technology associated with farmland protection efforts including the use of GIS systems. The data implies that additional training of NRCS and Federal partners may increase the effectiveness of FPPA.

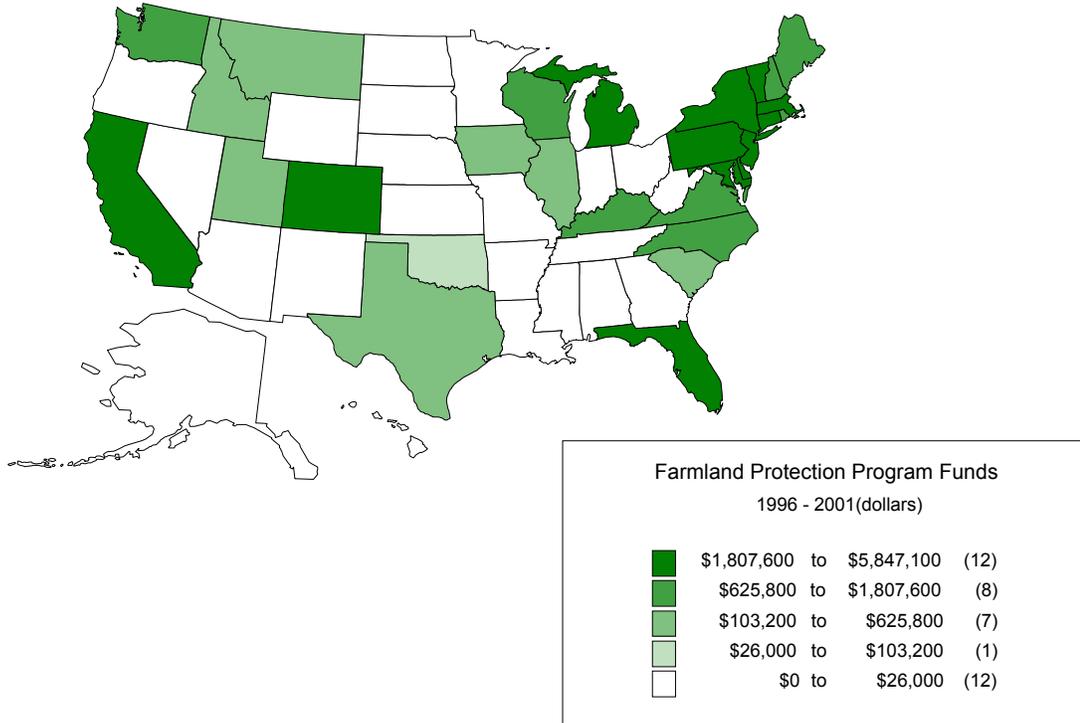
In November, 2001, the Farmland Protection and Community Planning Staff conducted training for the FPPA, LESA, and the Farmland Protection Program. NRCS employees from 50 states and staff from USDA Rural Development mission area received training which included an overview of FPPA and instruction in servicing evaluation requests.

In order to implement FPPA more efficiently and to address NRCS's e-Government priority, NRCS is deploying a web-based version of the Farmland Conversion Impact Rating Form (AD-1006). The web-based form is located at: <http://fppa.nrcs.usda.gov/lesa/>. The site allows Federal agencies and agency representatives to register with NRCS and receive site evaluations in a timely manner via the web. This is the first step to fully automating the FPPA process.

III. Federal, State, and Local Efforts to Protect Farmland

In FY 2001, the Farmland Protection Program (FPP) received \$17.5 million in funding from the Agricultural Risk Protection Act of 2000. The Act also made non-governmental organizations eligible for participation in FPP. The expanded eligibility increased the number of States participating in FPP from 20 to 28. The FPP Program assists farmers in keeping their productive land in agriculture by providing matching funds to state, local, tribal or non-governmental conservation easement programs. Cooperating entities acquire, manage, and enforce the conservation easements and every protected farm operates under a conservation plan approved by the local conservation district. Through 2001, FPP has permanently protected 108,000 acres in 28 states (figure 5). Since the program's inception in 1996, for every Federal dollar spent; an additional \$3.69 was spent by the participating State and local government entities.

Figure 5 - Farmland Protection Program by State



In California, Colorado, and Ohio, local committees developed Land Evaluation and Site Assessment systems, which were then adopted for use by the local jurisdictions. The agriculture Land Evaluation and Site Assessment (LESA) system, combined with forest measures and rangeland parameters, provides a technical framework to help State and local officials make sound decisions about land use. Land Evaluation components for LESA were updated in 18 States.

In a collaborative effort to prevent farmland loss, USDA National Agricultural Library, NRCS, and the American Farmland Trust support and maintain the Farmland Information Center. Authorized by FPPA and established in 1994, the Farmland Information Center is a joint project providing two services to the public: a farmland information library and technical assistance service. The Farmland Information Library is an electronic library located on the web at: <http://www.farmlandinfo.org/>. The site provides information about farmland protection programs, policies, and activities to farmers, ranchers, farmland protection and conservation professionals, Federal, State and local officials, and citizens with an interest in farmland protection. In addition, the electronic library offers information on agricultural research such as natural resources, sustainable development, farmland conservation, State and county information, as well as maps. It also offers a series of fact sheets that respond to frequently asked questions on Farmland Protection. The Technical Assistance Service responds to specific requests for information about farmland protection techniques and activities. It monitors

established farmland protection programs and reports on State and local initiatives and activities. The Technical Assistance Service provides customized information packets to respond to the public's needs. During FY 2001, the Farmland Information Center received more than 420,000 website hits and responded to thousands of requests for information and assistance.

Mitigation of Farmland Loss¹ – Mitigation options are not mandated by FPPA, but are identified as options in current NRCS policy. Mitigation practices are commonly used to protect and restore wetlands. California and Washington are examples where farmland mitigation is being used in State programs. Vermont includes farmland mitigation as a component of a larger environmental review process.

The National Environmental Policy Act (NEPA) defines mitigation as:

- a) avoiding the impact altogether by not taking a certain action or parts of an action;
- b) Minimizing impacts by limiting the degree or magnitude of the action and its implementation;
- c) rectifying the impact by repairing, rehabilitating or restoring the impacted environment;
- d) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action;
- e) compensating for the impact by replacing or providing substitute resources or environments.

In Washington, the King County Comprehensive Plan includes a “no net loss” provision regarding Agriculture Production Districts. Established in 1985, the agriculture districts cover approximately 40,000 acres and specify agriculture as the preferred use in these areas. Lands can only be removed from the district if, in addition to other factors, the loss is mitigated through the addition of agricultural land, which is equal in value bordering the same district. A mitigation-banking ordinance is being drafted to support the districting efforts.

Vermont includes mitigation “only as a last resort” after developers have exhausted other options for avoid building on high-quality soils. The Vermont Land Use Law, Act 250, contains criteria which specifically protects the best agricultural and forest soils. For project approval, the District Environmental Commission must find that the proposed project does not significantly reduce the potential of primary and secondary agricultural or forestry soils on the site. Under Vermont’s Land Use Law, the Vermont Housing and Conservation Board has signed over 40 agreements to purchase development rights on 3,000 acres. Funds accumulated from developers as part of a mitigation agreement are used to match other farmland protection funds. Mitigating farmland loss can be a valuable tool for protecting specific farmland properties and as a source of funds for local or state farmland preservation programs.

State and Local PACE Programs² – Purchase of Agriculture Conservation Easement (PACE) programs are based on the concept that property owners have a bundle of different rights, including the right to use land, lease, sell and bequeath it, borrow money using it as security, construct buildings on it and mine it, or protect it from development, subject to reasonable local land use regulations. Some or all of these rights can be transferred or sold to another person or entity. PACE is known as Purchase of Development Rights (PDR) in many locations.

PACE programs compensate landowners for permanently limiting non-agricultural land uses. Selling a conservation easement provides farmers and ranchers with a financially competitive alternative to development. Easements “run with the land,” binding all future owners unless the document establishing the easement provides that the covenant may be terminated for cause or at the end of a specified period of time.

Twenty states had state PACE programs in 2001. Maryland and Pennsylvania lead the States in easement acres protecting approximately 186,000 acres each. Forty-one independently-funded, local PACE programs existed in 14 States in 2001. Utilizing FPP, in addition to other Federal, State and local funding, the purchase of agricultural conservation easements neared one million acres nationally (997,139 acres).

¹ Information gathered by Carl Mailler, Assistant Economic Research Specialist, for a paper dealing with mitigation of farmland loss, 2002.

² Status of Selected State and Local PACE Programs, American Farmland Trust Fact Sheets, August-2001.

